GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2793
ANSWERED ON:17.12.2008
VILLAGES ADOPTED BY BANKS
Patil Shri Pratik Prakashbapu

Will the Minister of FINANCE be pleased to state:

(a) whether some banks have adopted villages in Maharashtra;

(b) if so, whether these banks are now refusing loans to villagers;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI PAWAN KUMAR BANSAL)

(a) to (d): Banks are implementing Service Area Approach as per Reserve Bank of India (RBI) guidelines with effect from 01.04.1989. Under Service Area Approach Bank branches are catering to credit needs of the villages through credit plans. From December 2004, RBI relaxed Service Area norms & it is applicable now for Govt. Sponsored Schemes only.As regards the refusal of loans to villagers, it has been informed by the Bank of Maharashtra, the convenor bank for the State Level Bankers` Committee (SLBC) that they are considering all viable proposals for loans by villagers.